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SUBJECT: MEDIA REACTION: US-CHINA RELATIONS; US ECONOMY;
US-RUSSIA RELATIONS; CLIMATE CHANGE

TOPICS:

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HEADLINES AND EXCERPTS:

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"Premier Wen says no to U.S. bonds"

The independent Chinese-language Hong Kong Economic Times said in an editorial (2/2): "Chinese Premier Wen Jiabao visited Europe. In contrast to his sober and modest attitude in the past, Premier Wen's remarks displayed his straightforwardness. Yesterday, he revealed that U.S. President Obama was concerned about whether China would buy more U.S. bonds, but he said that China might not necessarily buy more. His remarks have not only highlighted the rise of Chinese international influence, but it also showed that Premier Wen wanted to stress the importance of equal diplomatic relations. Europe and the U.S. should not bully Beijing.... Premier Wen's remarks during his 'trip of confidence' is incisive. On the one hand, he has to protect Chinese interests and to strive for a better international environment; on the other hand, he has to avoid adding to China's trouble in dealing with the financial tsunami. It also shows that China's international influence and its right to speak have been increasing and it will not allow Europe and the U.S. to bully it. The financial tsunami has redistributed national power worldwide. How will the Chinese government make friends with the west in a manner neither haughty nor humble, and how to safeguard national interests, secure equality, mutual benefit, and mutual respect? Premier Wen's Europe trip has provided a signal."

"U.S. puts pressure on China, Premier Wen skillfully deflects the question"

The working-class Chinese-language Hong Kong Daily News wrote in an editorial (1/15): "Premier Wen Jiabao, who is visiting Britain, said that whether China will buy more U.S. bonds will depend on its nation's needs and the need to safeguard the value of its foreign reserves. Under the influence of the financial tsunami, the global economic situation is shaky. Europe and the U.S. all covet China's foreign reserves. They use both soft and tough measures to try and force China to 'pay the bill' for the financial crisis caused by Europe and the U.S. Premier Wen's remarks on the purchase of U.S. bonds conveys two messages: first, China has the right to use foreign reserves. The decision whether to buy U.S. bonds will be made according to its actual needs. Secondly, the U.S. has the responsibility to maintain the stability of the exchange rate of the U.S. dollar. It should reduce the fluctuation of the U.S. dollar to

cast off uncertainty in the world economy. It will then attract China to buy U.S. bonds.... The global economic system has changed. The U.S. needs to face the fact of Sino-U.S. economic interaction. The U.S. should adopt an equal and mutually beneficial approach to promote economic cooperation. Only in this way can an environment of healthy economic development be created."

"Broader focus to Sino-U.S. ties will be welcome"

The independent English-language South China Morning Post said in an editorial (2/1): "When two new partners find themselves locked in a complex dance, missteps are inevitable. It takes time for both sides to find their footing. This appears to be the case with Beijing and the new White House under Barack Obama. Sino-U.S. relations are among the most complex and important bilateral ties in the world today. The new U.S. president has gotten off to a rocky start. But he has now made an overture to mend fences with his counterpart Hu Jintao in their first telephone conversation on Friday.... Despite their pledge to cooperate, it is significant that the two sides presented different versions of what was actually said on Friday. Mr. Hu, according to the official news agency, Xinhua, cited the importance of mutual respect, especially in relation to core national interests. He also repeated his opposition to trade protectionism. However, the White House said Mr. Obama focused, during the conversation, on trade and economic imbalances that need to be addressed to solve the global financial crisis. The difference in their statements reflects the two countries' conflicting views of what caused the financial meltdown.... The rise of China presents challenges and opportunities for the nation and the world. As its wealth grows, its global influence will necessarily increase. This has caused alarm in many capitals, but it need not be a threat. Sino-U.S. ties will be key to managing China's rise. But they involve many parts; problems in one area, such as trade, should not be allowed to undermine the whole. Successful relations with the U.S. will help China play a more positive and productive role in world affairs."

"There are reasons for the up and down of Sino-U.S. relations"

The independent Chinese-language Ming Pao Daily News had an editorial (2/1): "...U.S. Treasury Secretary Geithner made remarks about 'China manipulating the exchange rate of the yuan'. And almost at the same time, Defense Secretary Gates said the U.S. 'has the capability to deal with China's threat'. Secretary of State Hillary Clinton also complained about the Bush administration only having economic dialogue with China. She hopes to start a 'comprehensive dialogue' with China. Tough remarks on China policies by three heads of Obama's cabinet have triggered people's concern over the direction Sino-U.S. relations are taking in light of a second wave of financial tsunami.... China should handle the remarks by the Obama team in the following way: deal with the remarks calmly and observe the situation with a cool head.' Judging from the telephone conversation between Chinese President Hu Jintao and President Obama last Friday, present Sino-U.S. relations are still good. Although they may have small arguments from time to time, big confrontation is unlikely."

12. U.S. economy

"Obama has to guard against protectionism"

The independent English-language South China Morning Post said in an editorial (2/2): "World leaders have agreed that turning inwards does not offer nations a way out of severe economic difficulties. One of the biggest mistakes in the 1930s Depression was the U.S.' adoption of trade-protection policies. The summit of the Group of 20 largest economies in November underscored 'the critical importance of rejecting protectionism' in dealing with the present crisis. It is worrying therefore, and worthy of condemnation, that such a discredited, 'beggar thy neighbor' approach should have been supported in the U.S. Congress.... The world awaits the Obama administration's response to all this. The U.S. president needs to get his stimulus package approved quickly. Hopes of global economic recovery hinge on it. But this should not stop him making an unambiguous reaffirmation of America's support for free trade, and using all his powers of persuasion and the prestige of his office to rest the 'buy American' provisions. We hope that when the Senate considers them, common sense and the lessons of the past will

prevail. History shows that global prosperity depends on international co-operation, not economic isolationism."
"Obama has to be courageous and quick in rescuing the economy"

The independent Chinese-language Hong Kong Economic Times commented in an editorial (1/31): "...The rapid worsening of unemployment has heavily hit consumption and the economy. The increasing loss of financial institutions may trigger a second wave of the financial tsunami. Both of the above may push the U.S. economy from recession to depression. The situation is critical and it does not allow Obama, who took office just 10 days ago, to have any time for hesitation. He must take tough measures to rescue the economy.... The U.S. economy and market confidence, obviously, plunge more quickly than the U.S. administration can act. If Obama is to turn the tide and avoid a second round of the financial tsunami, as well as keep the recession from worsening, he must be courageous enough to act quickly."

"The bad health of the U.S. economy is revealed in the 'shameful' behavior of Wall Street"

The working-class Chinese-language Hong Kong Daily News wrote in an editorial (1/31): "...[Looking at] the differences in the consumer models between eastern and western societies, the world economic development models can be briefly divided into two major types: the first one is the high consumption and widely expanding economy, as in the case of the U.S.; the second one is the huge savings and domestic demand-led economy as in China. Which of these development models is better? It is difficult to find the answer on a quiet day. However, when the world economy takes an unfavorable turn, it is much easier to tell which is better.... As a lesson from the failure, should the future world economic development model follow the Asian example, moving towards the direction of more savings by keeping expenditures below income, or should they follow the old economic development model of the west and let the world economy panic from time to time? The answer is pretty obvious."

"Obama should stop greedy Wall Street"

The pro-PRC Chinese-language Wen Wei Po had this editorial (1/31): "While the U.S. administration is using taxpayer money to save the finance industry, Wall Street executives, surprisingly, earned USD18.4 billion in bonuses last year. President Obama is outraged and described the payouts as 'shameful' and having reached the height of irresponsibility. Obama rebuked the bank executives for receiving bonuses while their banks lost money because he is, on one hand, angry, and on the other hand, he has to secure the understanding of the U.S. public and the international community to continue supporting Washington's bailout plan. However, Obama should not stop short at condemning bank executives, he should also adopt effective and forceful measures to stop the greediness of Wall Street. He should stop Wall Street executives from getting bonuses when banks are losing money. Only in this way can he restore the confidence of the public and the international community in Washington's bailout plan."

13. U.S.-Russia relations

"Russia tests Obama's attitude on anti-missile again"

The pro-PRC Chinese-language Macau Daily News remarked in an editorial (1/31): "A Russian military official said recently that since Russia feels that the new Obama administration is not rushing ahead with the plan to set up an anti-missile system in Poland and the Czech Republic, Russia will temporarily shelve its missile plan in Kaliningrad. This is Russia's goodwill gesture towards the new U.S. administration.... Any favorable turn in the anti-missile dispute will depend on a clear stance from the U.S. side. Russian Foreign Minister Sergei Lavrov revealed that Obama and Medvedev may hold their first talks at the G20 summit in London on April 4. A Russian Foreign Ministry spokesperson also said that Russia has great expectations for the meeting of the two presidents. It seems that it will still take a while to see if the anti-missile dispute between Russia and the U.S. can be resolved."

14. Climate change

"Hope the U.S. will do something on the climate"

The pro-PRC Chinese-language Macau Daily News remarked in an editorial (2/1): "...Obama took several actions over the climate issue immediately after he took office. It shows that Obama will adopt a relatively more pragmatic attitude than the Bush administration toward climate policy.... Obama will face many obstacles when he implements his policies: the weak domestic economy; differences of opinion in the Congress and inside the Democratic Party; an American public less focused on the climate change issue than the financial crisis, etc. These are all stumbling blocks that will hinder the implementation of Obama's policies. Under the prerequisite of safeguarding U.S. interests and coordinating the domestic interests of all sides, we have to wait and see how the Obama administration will make any progress in dealing with climate change."

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